

Abstract

While the concept of the informal economy has been developed for policy analysis and discussed in economic literature, it has never been developed as a statistical concept. This lack of a statistical definition has negative implications on the measurement of the informal economy and leads to an ambiguous use of the terms related to the informal economy which compromises international comparability. In addition, new informal types of economic activities are also increasingly emerging that make use of digital technologies.

As part of the update of the System of National Accounts 2008 (2008 SNA) and the Balance of Payments and International Investment Position Manual, sixth edition (BPM6), the Joint Task Team on the Informal Economy will develop guidance that aims to 1) identify and delineate the statistical issues on the informal economy that should be addressed as part of the 2008 SNA and the BPM6 and 2) present recommendations for a coherent set of statistical standards necessary for measurement of work and economic activity in the informal economy.

Building on work by the ILO, the Task team aims to develop a consistent and coherent set of statistical concepts and definitions relating to the informal economy across all statistical datasets (in particular, national accounts, external sector statistics, labour statistics) that are acceptable to labour statisticians and macroeconomic statisticians.

At the core of this new framework for statistics on informality is the proposed definitions on the following concepts and their delineation:

Informal economy – the sum of all productive activities carried out by persons and economic units that are – in law or in practice – not covered by formal arrangements.

Informal employment – Informal employment is defined as any activity carried out by a person to produce goods or provide services for pay or profit that is not effectively covered by formal arrangements. Informal employment comprises activities carried out in relation to an informal job defined as: Independent workers; Dependent contractors; Employees without effective access to formal arrangements; and Contributing family workers that are without effective access to formal arrangements.

Informal sector – comprises all informal household market enterprises, or producers of goods and services mainly intended for the market that are not formally recognized by government authorities as distinct market producers and thus not covered by formal arrangements.